Labour Market Notes

Part-time job gains pushes up Alberta employment

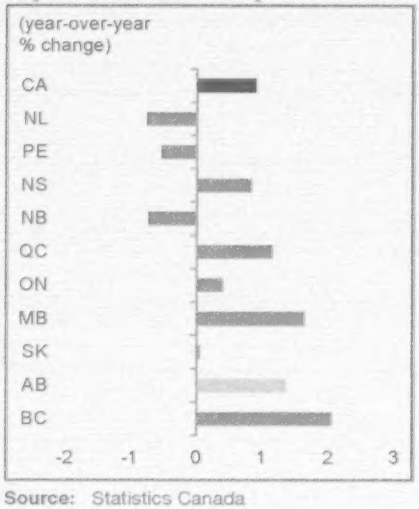
Alberta

- Employment jumps in September. Alberta employment increased by 12,300 this month, building upon the slight gain in August.
- Gains in part-time. Part-time employment increased by 35,800 in September, more than offsetting losses in full-time employment (-23,500). Private sector employment increased by 11,600, the largest jump since October 2014. Self-employment also posted gains (+3,800). Public sector employment fell by a slight 2,900, the first loss in four months.
- Industry gains broad-based. Employment gains were evenly split among the goods (+6,400) and service (+6,000) sectors. Trade (+6,400) and business building and support services (+5,100) had the largest gains, while transportation and warehousing (-6,500), and finance, insurance, real estate and leasing (-5,100) had the largest losses. Since December 2014, the service sector has added 39,400 jobs, while jobs in the goods sector fell by 24,400.
- Unemployment rate surges. Despite the increase in jobs, Alberta's unemployment rate leapt 0.5 percentage points to 6.5% in September. This was due to a large monthly increase in the participation rate to 73.5%, which increased the labour force and the number of unemployed. The unemployment rate is now 2.0 percentage points higher than January.
- Employment growth solid. Year-over-year (y/y) employment growth was up 1.4% in September, with 31,000 more jobs than September 2014.
- Earnings growth stays negative. Average weekly earnings continued to decline, falling to $1,141 in July. Growth in earnings declined1.2% y/y, the second straight month of negative growth. Goods sector earnings growth was down 2.9% y/y, while service sector earnings growth was a still up slightly (0.5% y/y). Year-to-date, Alberta earnings are up only 1.1%.

Canada

- Canadian employment builds on previous gains. Employment in Canada was up 12,100 in September. Gains were concentrated in the western provinces, led by British Columbia and Alberta (+12,400 and +12,300, respectively). Ontario lost the most jobs (-33,800) by far. Canada has added 161,200 jobs since September 2014, a 0.9% y/y gain.
- Unemployment rate ticks up. The Canadian unemployment rate increased for the second straight month, up 0.1 percentage points to 7.1% in September.
- Earnings growth rises in July. Canadian average weekly earnings grew by 0.2% to $957 in July. Year-over-year growth was 1.6%, with Alberta the only province to experience negative growth. Year-to-date, Canadian earnings were up 2.2%.

Employment Growth by Province, September 2015 vs. September 2014



Source: Statistics Canada

Alberta Labour Market Indicators

Indicator	Latest*
Employment	2,315,200
month-over-month change	+12,300
year-over-year % change	1.4%
Alberta Unemployment Rate (UR)	6.5%
Edmonton UR**	5.9%
Calgary UR**	6.8%
Participation Rate	73.5%
Average Weekly Earnings (AWE)	$1,140.56
year-over-year % change	-1.2%
Average Hourly Wage	$29.26
year-over-year % change	3.4%
Job Vacancy Rate***	1.7%

Source: Statistics Canada

* All data is from the Labour Force Survey for September 2015, except AWE which is the July 2015 Survey of Employment, Payrolls and Hours, and the job vacancy rate is for June 2015.

** This indicator is calculated as a three-month moving average and is seasonally adjusted.

*** This indicator is calculated as a three-month moving average and is not seasonally adjusted.

Alberta Government

October 9, 2015
Treasury Board and Finance
Economics and Revenue Forecasting

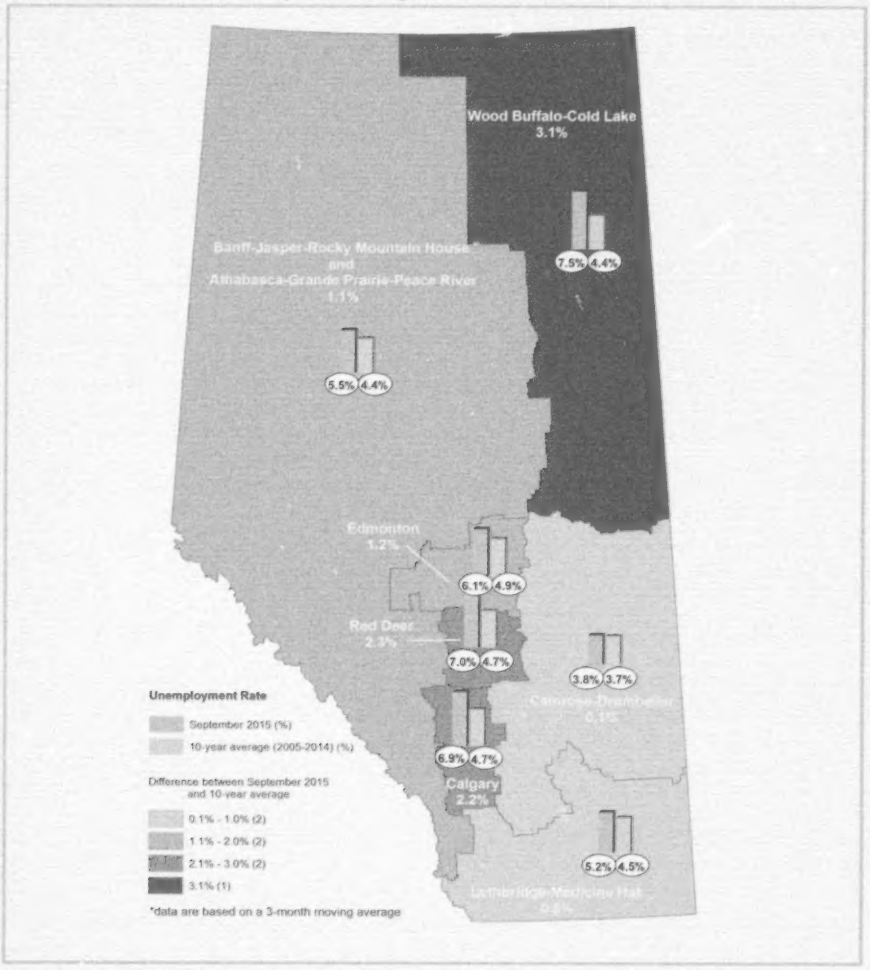
A regional perspective on current labour markets

Alberta's economy has been hit hard by low oil prices, with steep declines in energy investment and weakening labour markets. Impacts have varied among economic regions within Alberta due to differences in the regional industrial mix. This month's Labour InSight delves into the current state of Alberta's regional labour markets.

Divergent trends among Alberta's economic regions

The unemployment rate has increased sharply in Alberta this year. The unemployment rate was 6.5% in September, higher than the 2014 and 10-year average of 4.7%. The increase was due to more people looking for work and out-pacing employment gains. Unemployment rates across Alberta's economic regions are increasing, but at different magnitudes (Map 1). In September, the highest regional unemployment rates were in Wood Buffalo-Cold Lake, Red Deer, and Calgary. Camrose-Drumheller and Lethbridge-Medicine Hat had the lowest unemployment rates.

Map 1: Unemployment rates increasing faster in some economic regions
Unemployment rates: 10-year average, September 2015 & difference



Source: Statistics Canada

Industry composition a factor

The regions with stronger links to the energy industry are seeing larger labour market effects. Red Deer has taken a hit, with employment growth in September down 5.1%* year-over-year (y/y). The region is heavily involved in oil and gas services and manufacturing that predominately serves the energy industry. In the Wood Buffalo-Cold Lake region, the unemployment rate has increased sharply from the end of 2014. Employment growth was 2.1% y/y in September, but has fallen from its peak in July 2014. The regions of Banff-Jasper-Rocky Mountain House and Athabasca-Grande Prairie-Peace River have experienced a weakened labour market, with September employment growth down 0.9% y/y.

Calgary & Edmonton contrast

The unemployment rates for the Calgary and Edmonton economic regions have been increasing, but Calgary's rate is 0.8 percentage points higher. Despite these increases, job growth remains strong. In Calgary, employment growth was 2.2% y/y in September, and Edmonton's was 2.7% y/y. Job growth in Calgary has been slowly trending down since the beginning of the year, pulled down by the goods sector. Growth in Edmonton has been steadily increasing, supported by recent gains in the service sector.

*All monthly economic region data is calculated using a 3-month moving average.

Have a question or idea for Labour InSight? Send us an *email*.

Contact

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